

HOUSE BILL REPORT

SSB 5953

As Passed House:

April 11, 2005

Title: An act relating to handicapping contests conducted by class 1 racing associations.

Brief Description: Authorizing class 1 racing associations to conduct handicapping contests.

Sponsors: By Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Jacobsen, Deccio, Keiser, Rasmussen and Kohl-Welles).

Brief History:

Committee Activity:

Commerce & Labor: 3/28/05 [DP].

Floor Activity:

Passed House: 4/11/05, 91-5.

Brief Summary of Substitute Bill

- Exempts from Washington Gambling Commission rules, Washington Horse Racing Commission-authorized handicap contests involving the outcome of multiple horse races, and allows the handicap contests to be conducted by a licensed class 1 racing association.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass. Signed by 5 members: Representatives Conway, Chair; Wood, Vice Chair; Sump, Assistant Ranking Minority Member; Hudgins and McCoy.

Staff: Rebekah Ward (786-7106).

Background:

The Legislature established the Washington Horse Racing Commission (Commission) in 1933 to license, regulate and supervise all race meets and parimutuel betting. It is unlawful for any person to hold any race meet without having first obtained and having in force and effect a license issued by the Commission.

A class 1 racing association is defined as a licensee approved by the Commission to conduct during each 12-month period at least 40 days of live racing. After Commission approval, a class 1 racing association may conduct parimutuel wagering at a satellite location or locations within the State of Washington. Thereafter, the class 1 racing association license must have conducted at least one full live racing season, and must hold a live race meet within each

succeeding 12-month period to maintain eligibility to continue to participate in parimutuel wagering at a satellite location or locations. Emerald Downs is currently the only class 1 racing association in Washington.

Parimutuel handicapping contests involve participants paying a fee, and predicting the outcome of one or more pre-established combinations of outcomes of more than one horse race. The participant whose predictions are determined to be the closest to the actual results wins the aggregated total of fees paid, less the cost of administering the contest. Fees paid to enter the handicapping contest are kept separate from and do not affect the parimutuel wagering pool.

Summary of Bill:

Handicapping contests involving the outcome of multiple horse races which are authorized by the Washington Horse Racing Commission are exempt from the Gambling Commission rules. The handicap contests are allowed to be conducted by a licensed class 1 racing association for patrons at live-race meets.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: The Gambling Commission (Commission) rules currently prohibit the charging of a fee for parimutuel handicapping contests by class 1 racing associations. This is the only place where an entry fee cannot be charged in order to cover the costs of conducting the contests. At the Commission meeting on March 10, this bill was voted on and received unanimous approval by the Commission. The intent of the bill is to exempt class 1 racing associations conducting handicap contests from the law regulating the Commission rules and regulations in an effort to enable the track to engage in parimutuel handicapping contests and to allow them to charge a fee to defray the costs of conducting the event. These changes clarify the regulatory authority by the Washington Horse Racing Commission.

Emerald Downs is currently the only class 1 racing association.

Testimony Against: None.

Persons Testifying: Ron Crockett, and Jim Halstrom, Northwest Racing Emerald Downs; and Robert Leichner, Washington Horse Racing Commission.

Persons Signed In To Testify But Not Testifying: None.